

MINUTES
OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
ECONOMIC DEVELOPMENT COMMITTEE
October 4, 2011
MAG Offices, Saguaro Room
302 N. 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor Thomas L. Schoaf, Litchfield Park,
Chair
Mayor Hugh Hallman, Tempe, Vice Chair
Steven Betts, GPEC
Dr. Joseph Cavinato, Thunderbird
Mark Dreher, East Valley Partnership
#Thomas Franz, Greater Phoenix Leadership
*Jim Kenny, El Dorado Holdings, Inc.
Mayor Jim Lane, Scottsdale
Mayor Michael LeVault, Youngtown
Mayor John Lewis, Gilbert
#Mayor Marie Lopez-Rogers, Avondale
Mayor Jackie Meck, Buckeye
*Mary Peters, Mary Peters Consulting
Jim Rounds, Elliott D. Pollack & Company

Floyd Roerich, Jr., ADOT
*Todd Sanders, Greater Phoenix Chamber
of Commerce
Mayor Jay Schlum, Fountain Hills
*Mayor Elaine Scruggs, Glendale
Councilmember, Jack Sellers, Chandler
Jeffrey Simmons, Ryley Carlock &
Applewhite
Mayor Scott Smith, Mesa
Mayor Lyn Truitt, Surprise
Sandra Watson, Arizona Commerce
Authority
*Candace Wiest, WESTMARC
*Supervisor Mary Rose Wilcox, Maricopa
County
Vice Mayor Thelda Williams, Phoenix

* Not present

Participated by video or telephone conference call

OTHERS PRESENT (from sign-in sheet(s)):

Eric Anderson, MAG
Lindy Bauer, MAG
Monique de los Rios-Urban, MAG
Melissa Delany, GPEC
Kent Dibble, Dibble Engineering
Jonathon Donie, MAG
John Dugan, Cinnabar Southwest, LLC
Stephanie Frijia, GPEC
Jami Garrison, MAG

Walt Gray, Resident
Bob Hazlett, MAG
Kathleen Lee, GPEC
Dan Marum, Wilson & Co.
Nathan Pryor, MAG
Lesley Sargent, AZ Capital Times
Tim Strow, MAG
David Worley, MAG

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Chair Schoaf at 11:37 a.m. Chair Schoaf noted that Mayor Lopez-Rogers of Avondale and Tom Franz, President and CEO of Greater Phoenix Leadership were participating by telephone conference. Chair Schoaf welcomed one new member to the committee: Floyd Roehrich, Jr., Deputy Director for Policy, representing Arizona Department of Transportation (ADOT). This change is due to John McGee's retirement from ADOT.

Chair Schoaf announced that at each seat were handouts and an outline of today's speakers, biography's of members of the Leadership Advisory Team, and a copy of the Brookings presentation.

Chair Schoaf noted that public comment cards were available for those members of the public who wish to comment. Transit tickets were available from Valley Metro for those using transit to come to the meeting. Parking validation was available for the MAG parking facilities for those who parked in the garage.

2. Call to the Audience

Chair Schoaf stated according to the MAG public comment process, members of the audience who wish to speak are requested to fill out the public comment cards. He stated that there is a three minute time limit. Public comment is provided at the beginning of the meeting for items that are not on the agenda that are within the jurisdiction of MAG, or non action agenda items that are on the agenda for discussion or information only. Chair Schoaf noted that one public comment card had been received.

3. Approval of the September 6, 2011 Economic Development Committee Meeting Minutes

Chair Schoaf asked if the members had any questions on the September 6, 2011 meeting minutes. There were none. Vice Chair Hallman moved to approve the September 6, 2011 Economic Development Committee meeting minutes. Steve Betts seconded the motion and the motion carried unanimously.

4. Brookings Metropolitan Business Planning Initiative

Chair Schoaf welcomed Amy Liu, Co-founder of the Metropolitan Policy Program at Brookings to the committee meeting. Chair Schoaf noted that Arizona was one of four regions across the United States selected to participate in this round of the Brookings Institute Planning Process. Chair Schoaf noted that we are keenly aware of how the downturn has affected all of our citizens and our communities and we are looking for ways, that as a region, we can facilitate and foster a change in our economy to one that is much more sustainable and that will lead to better prosperity for our citizens.

Chair Schoaf stated that the Economic Development Committee was created by Maricopa Association of Governments (MAG) to specifically explore ways to encourage economic development through the way we develop our infrastructure. Chair Schoaf noted that we were able to attract a number of leaders, both from our business community and our state, such as Arizona Commerce Authority (ACA) and Greater Phoenix Economic Council (GPEC), which allows us to get a very broad representation of the leadership in this region. Chair Schoaf noted this broad representation then brought us to Brookings and the potential of this Brookings Initiative. MAG is here to facilitate and help provide some support and structure. Chair Schoaf stated that this is a project that very much depends upon all the individuals sitting around the table. Without the support of each of the entities, support of the municipalities, Greater Phoenix Economic Council, the Arizona Commerce Authority, East Valley Partnership, Western Maricopa Coalition, and Greater Phoenix Leadership we are not going to be successful.

Chair Schoaf stated that this is a tremendous opportunity for our region. He also noted that the project scope is so large that it can lead to failure very easily if we neglect or take a position that does not foster the kind of free interchange and support that it needs. Chair Schoaf requested that each organization support and take on this project wholeheartedly so this opportunity is not missed.

Chair Schoaf then introduced Vice Chair Hallman. Vice Chair Hallman stated that the MAG Economic Development Committee is one committee where we can pull together all levels of government and non-governmental agencies, as well as the business community. The mission of MAG was originally formed to solve problems in transportation, human services and the environmental arena. Vice Chair Hallman noted that we are around this table because the region is called upon. He noted gone is the time when the City of Tempe could compete against the City of Scottsdale, who could compete against the City of Phoenix, who could compete against the City of Goodyear to grow our economies. Vice Chair Hallman noted the cities in this state have now grown together and the lines between the cities no longer exist.

Vice Chair Hallman stated that this region is now challenged to meet our competition in Central Asia and Latin America and this cannot be done individually. He noted that most of the tools available for us in economic development are dispersed among different agencies, and now it is very important for all of us to work together. This is a cultural change that requires Arizona State University, Thunderbird School of Global Business, Maricopa Community Colleges, all of the municipalities, the county, Arizona Department of Transportation, Arizona Commerce Authority, East Valley Partnership, Western Maricopa Coalition, Greater Phoenix Economic Council, and Greater Phoenix Leadership to come together and begin the conversation about how we create the system through which we can operate, to break down barriers to our competitive markets, and what initial concepts we should pursue. Vice Chair Hallman advised that this should not be about creating a plan that sits on the shelf. It should be about creating a work plan, a business plan that identifies how

we will work together to create productivity and then identify a very short list of things that we can execute. Vice Chair Hallman stated that we are in a very static, unformed environment that has not yet been able to respond to the recession that began in March 2008. He noted that this region is not nimble and needs to create a system of connections, communications, and infrastructure that can respond in a nimble fashion as the economy changes. He stated this can only be done together.

Vice Chair Hallman introduced Mayor Smith who served as a liaison to Brookings. Mayor Smith stated that his past experience with Brookings began three years ago, which led to his invitation to participate in the Megapolitian Intermountain Study, and where the Sun Corridor was introduced nationally. This led to discussions with Brookings related to Intermountain issues, transportation issues and how federal policies affect us, as cities. He noted the relationship was strengthened through the United States Conference of Mayors. Mayor Smith stated that Brookings understands and recognizes that even though we are a national economy, the real business gets done in metropolitan areas. Mayor Smith noted that Brookings has taken this to a new level where they are saying there is no real national economy, just a series of metropolitan economies.

Mayor Smith stated Brookings had an interest in this region because we are in the intermountain area, which makes us somewhat unique because part of the efforts in the Intermountain Study was to identify how federal policies have ignored our region. He noted that Brookings asked what entity could this project be run through. The Economic Development Committee at MAG was suggested because it is one agency where everyone is pulled together. Mayor Smith stated this is not a Brookings process, this is the regions process.

Mayor Smith noted Brookings is not only known nationally, but also internationally. Brookings brings a wealth of experience with other regions and has the data, information and examples to share. He stated Brookings is respected, knows this area well, and this relationship can be very rewarding for Arizona. Mayor Smith stated that if we take full advantage of this opportunity, we have a unique chance of doing something special. He stated that we are at the right time for this undertaking. Mayor Smith noted we are the youngest metro region in the entire country, and a post World War II creation. This is a real opportunity to take stock and set a new course or revise our course and understand this region has a great future.

Mayor Smith introduced Amy Liu, Co-founder of the Metropolitan Policy Program at Brookings Institution. Ms. Liu thanked the committee for having her speak today. She also noted that this is the Greater Phoenix Metropolitan Initiative and it is very exciting. Ms. Liu applauded the committee for having everyone come together to develop a business plan for Greater Phoenix so we can reposition our economy for growth. Ms. Liu stated that these are tumultuous times. Our economy continues to underperform and our federal leaders are not going to lead. She noted that our global competitors are moving full steam ahead to build world class economies. Ms. Liu also noted that it is imperative and timely for our cities,

regulatory leaders, as well as the public and private sector leaders, to reevaluate current economic development approaches and come together and pursue more intentional, market-orientated strategies to put the economy on a path to prosperity.

Ms. Liu provided an overview of the urgency of our times. She noted the United States lost 8.8 million jobs over the course of the recession and regained only one fifth of them to date. Low, moderate, and middle income workers have suffered a major blow this past decade and the 2000's was the first time on record in the United States where the median family income actually declined by more than \$3,800 by household. Ms. Liu stated the stubbornly high number of Americans that remain without a job is one in ten nationally. She also noted that the lack of economic growth has wreaked havoc on our state and national budgets.

Ms. Liu noted to move the economy forward, it is important not to go back to our prior economy. She noted we need to shift away from strategies fueled by debt, over reliant on consumption, and real estate speculation. Ms. Liu stated that we need a new growth model that focuses on the tradeable sectors of our economy, that create high quality jobs, and support the growth of local serving jobs, one that also taps the demand of growing markets such as Brazil, India and China that can serve as a boost to our own sluggish economy.

Ms. Liu stated that in order to do that, we need a new set of growth strategies and to rethink our traditional economic development approaches. Ms. Liu noted the economic realities of today demand a focus less on consumption, less on piecemeal bricks and mortar, and less on wasteful economic development subsidies that may not bring as much return on the investment. Ms. Liu noted there is a national study on 50 states that found business recruitments generate just three percent of total jobs in a state, 97 percent comes from startups and expansion of existing businesses. Ms. Liu noted that it is very important to focus on helping existing businesses expand.

Ms. Liu stated we need to shift to the next economy. Domestic consumption will not lead to economic recovery. The opportunity to build a post recession future, one that is powered by exports, taps the demand for low carbon products and clean economy, fueled by innovation in both manufacturing services and opportunities for workers. Ms. Liu stated this economy must be driven from the ground up. We need to rebuild the national economy from our cities and metropolitan area. It is not going to be done by the national government, nor the states. It must be leveraged off our unique strengths and assets and our particular opportunity. Ms. Liu stated we want to go from theoretical to reality, which is how to make transitions to a post recession future, driven by leaders in our cities and regions, to make a transformational step. A business plan can give us the tool to do that.

Ms. Liu stated that our focus and strategies need to be the opportunities facing Greater Phoenix. She noted that according to the Department of Commerce, less than one percent of American firms actually sell a product or service outside the United States. She explained the reality is this is an untapped potential to help existing American firms grow and reach new customers.

Ms. Liu stated that with rapid urbanization and the rise of the middle class around the globe, there are a lot of new customers. Ninety-five percent of the world's consumers live outside the United States. Ms. Liu stated increasing exports is an economic imperative. Studies show the top 30 regional markets around the globe that added jobs or economic output the fastest after the recession were almost exclusively located in Asia and Latin America. The thirty worse performers post-recession were nearly all located in Europe and the United States. She noted that this study shows United States businesses will have a hard time expanding a customer base if they are solely relying on an uneven domestic market.

Ms. Liu noted another area to focus on is low carbon. The United States believes that we should be at the vanguard of clean/green evolution in renewable energy, modern transportation, energy transmission, sustainable consumer products, energy efficient buildings and land use. Ms. Liu noted that a study looked at the top 100 clean economy markets in the United States and found that it is a diverse, emerging market. It is disproportionately manufacturing and export intensive, it offers better prospects for low and middle skilled workers than the national economy as a whole, and this is the type of economy we want to build post recession. She reported that clean technology has been growing at a torrid pace and is twice as export intensive as the national economy. She noted that the United States has a strong base, nearly 2.7 million clean economy jobs—nearly twice as large as the biosciences field and makes up sixty percent of the strong IT sector and larger than the fossil fuel industry.

Ms. Liu stated that clean technology firms and jobs (wind, solar, smart grid) grew eight percent per year through the recession. This is twice as fast as the rest of the economy. More than seventy five countries around the world have adopted national emission reduction targets or renewable energy standards and these higher standards worldwide are driving the rush of businesses to meet the sharper demand for more energy efficient products and services. She noted that clean economy is really about market opportunity. Ms. Liu noted that the clean economy employs a high percentage of scientists and engineers, although the United States ranks low in people obtaining science and engineering degrees.

Ms. Liu noted that research shows that firms that are focused on export-intensive industries pay employees higher wages and are more likely to provide retirement and health benefits. She noted that in 2008, the top five exporting industries paid better than the national average by \$40,000 or more. Clean economy also offers opportunities for low and middle skilled workers. She noted forty-five percent of clean economy jobs are held by people with a high school degree or less. Ms. Liu also noted that forty-one percent of clean economy firms tend to offer critical on the job training, such as skills upgrading opportunities, so workers tend to earn higher wages with the average being \$44,000 compared to \$38,000, which is the national average. While Arizona growth and diversity is one of our greatest assets, our rate of educational attainment is the lowest among the fastest growing populations.

Ms. Liu stated that the public transportation network should not be a barrier to get people to their jobs. A recent study showed that only a small share of residents in the Greater Phoenix

area can access jobs via public transit and the next economy will be driven by metropolitan areas. She noted that 31 percent of jobs in Phoenix, Mesa, Glendale and 21 percent of jobs in the other counties are accessible by transit.

Ms. Liu noted that these are the kind of opportunities to think about when determining what the business plan will be. The economic strategy must come from the metropolitan area. Ms. Liu quoted Harvard Business Professor, Michael Porter, who said “there is no United States economy, only a network of hyper linked, highly specialized, metropolitan economies that are powered by clusters of firms, small to mid-sized businesses, research institutions, financial institutions and even government, that together harness the market activities that give regions their economic values”. Ms. Liu noted that all the Economic Development Committee participants are critical as the intermediaries, facilitators, and generators of market activity. She noted the top 100 metropolitan areas make up just 12 percent of land area, and 66 percent of population, which generates 75 percent of the nation’s gross domestic product. Ms. Liu stated that in Arizona, 95 percent of the state’s economy is driven by six metropolitan areas. Maricopa County makes up 72 percent and with Tucson and the Sun Corridor included, it makes up 88 percent of the economy.

Ms. Liu stated it is imperative for local leaders in metropolitan areas to make the transition to the next economy. Only the local leaders know what is best for our economy and how it is working. She noted that competitors are not resting. Leaders in Barcelona, Munich, Turin, Shanghai, and Seoul are working in partnership with their regional and national governments and they are making transformative investments in world class research in universities, in clean energy, in port and in large scale redevelopment. She stated that Interstate 11 is an ambition and we need to start making bold decisions and efforts.

Ms. Liu noted that Brookings launched the Metropolitan Business Initiative to help metropolitan areas such as this to be at the vanguard of economic transformation using experiences to then inform the next generation of state and federal policies. Brookings has been working in three markets: Puget Sound, Minneapolis, St. Paul and Northeast Ohio area and they are already beginning to implement their plans. In this second round, Phoenix will be embarking on a business plan in conjunction with leaders in Syracuse, NY, Memphis, TN and Louisville-Lexington, KY. Ms. Liu explained that our metropolitan business plan will be a plan written by, generated by, developed by, owned and implemented by those in this room. She noted it is called a business plan because it applies the market and operational discipline of a private sector business plan on a region and on a regional economy.

Ms. Liu noted that there are seven steps in creating the Plan. These include knowing our market, identifying a regional economic vision and mission statement, identifying strategies and goals, specify products, services and policies, develop an operational plan, develop a financial plan and target and monitor performance. She stated that through these steps, Brookings will work with leaders on one initiative that can be felt across the entire economy, an opportunity that has to be catalytic and transformative.

Ms. Liu stated that as we think about prosperity and growth for this region, we think about the five most important market levers that can shape the economy. Brookings will help look at the data, the strategies around our clusters, how human capital is aligned to support those clusters, whether there is an innovation ecosystem or ability to boost entrepreneurship related to our clusters, spatial efficiency, which reduces transportation costs for companies, and governance reform with civic and governmental tax regulatory infrastructure to support these market activities extent barriers to be competitiveness.

Ms. Liu stated the Strategic Overview will be the first product produced out of this business plan. Brookings will then assist us in creating an operational plan for the lead initiative. She noted just like a venture capitalist or start up firm, a prospectus will be created. It will be determined what is the role of federal, state, private and public sector to support the plan, and what is the projected return on the investment. Ms. Liu then spoke about the work Brookings is doing in Northeast Ohio. Their lead initiative is called PRISM (Partnership for Regional Innovation Services to Manufacturers). Their mission is to help small to mid size manufactures to transitions from old commodity products, such as chemical, steel, and automotive to emerging growth markets, such as biosciences, health care, advance manufacturing and clean technology.

Ms. Liu stated Brookings has chosen to work with Phoenix because this region has the ingredients for success. She noted we have a strong regional cohesion with deep private sector engagement, a strong capacity amount individual regional actors, a proven record of regional action, expertise in markets, market analysis, and fiscal sustainability. Ms. Liu noted it is a real honor for Brookings to be joining in this effort. Ms. Liu believes this region can be poised to be a model for other regions.

Chair Schoaf thanked Ms. Liu for her presentation and asked if there were any comments or questions. There were none.

Chair Schoaf recognized Mr. Walt Gray for public comment.

Mr. Gray introduced himself as a resident of West Phoenix and stated that he had the pleasure of working for Mary Peters during her tenure at Arizona Department of Transportation. Mr. Gray stated that he holds Mary Peters in high regard for agency innovations in partnering, strategic planning, customer relations and diversity. Mr. Gray noted his concern on the adverse impact on regional planning in the past and future on low income neighborhoods in the Valley. He stated that the valley freeway system, the light rail system and the Downtown Phoenix revitalization has largely bypassed low income neighborhoods. He stated he is puzzled on why we invest so much in resources and attention to regional planning, while at the same time minimizing municipal planning. Mr. Gray suggested regional planning should be built from the bottom up rather than the top down, not only to include low income neighborhoods, but also to contain regional infrastructure costs.

Mr. Gray noted that effective economic development plans for the urban cores of valley cities should be implemented with coordinated local and federal financial incentives for location, job training, and post-high school education. Mr. Gray stated this could bring blue collar jobs, particularly manufacturing jobs, into the neighborhoods, increasing wealth and diversifying the economy. Mr. Gray stated that if we continue large scale regional planning without smart municipal planning, we will assign at least another generation or two to poverty. When planning and development continually bypass low income neighborhoods, poverty is by design, rather than by accident.

Mr. Gray noted that MAG's regional initiatives raise some critical questions. He noted the concerns are: Will the initiatives include specific opportunities for low income people? Will they leave untouched municipal capital improvement bonding? Will they rely on regressive taxes? Will the Arizona Commerce Authority be drained of public and private funds? He noted the answers to these questions are important when you consider the size of the initiatives, while the impressive "Discovery Triangle" proposal waits in the wings. Mr. Gray stated that planning alone will not revitalize low income neighborhoods and that this committee has the strategic opportunity to advocate for reductions in federal and state income taxes, as well as cuts in local sales and food taxes that could put more money into the pockets of low and middle income Arizonans. This could create a demand for clothing, electronics, appliances and houses.

Mr. Gray noted that at the local level, with revenues rising, pension reform pending, and strategic budget cuts on the table, the opportunity exists for cutting sales and food taxes. Mr. Gray stated two areas overlooked for local and state strategic budget cuts are law enforcement and the criminal justice system. He noted crime has steadily declined over the past twenty years, yet law enforcement and criminal justice budgets continue to increase. Given the urgency of getting out of the recession, he believes effective municipal planning and coordinated fiscal policy would produce the best results, even if it means slowing down long-range regional initiatives.

Chair Schoaf thanked Mr. Gray for his comments and recognized that many of Mr. Gray's ideas relate to what the committee is talking about.

Chair Schoaf then asked the individual members of the Leadership Advisory Team to provide their insight on this project.

Barry Broome, from Greater Phoenix Economic Council (GPEC), congratulated the mayors and MAG on bringing this compelling and exciting new way to do business into our community. He also thanked GPEC representative and executive board member, Steve Betts, for being a part of this. Mr. Broome noted that he could not be more excited about a work plan than he is today, about this opportunity to work together in a new way in our community. Mr. Broome stated he is completely committed to this business plan, and more importantly, to its execution. He noted that the mayors have worked very hard, along with Mr. Betts and other private sectors leaders at GPEC, to get GPEC to become a more complete economic development organization.

Mr. Broome stated that GPEC just finished, with the support of colleagues at the state, having the biggest year in history of the organization as far as bringing businesses to our region. He noted that Development Counsellors International (DCI), out of New York surveyed 322 national consultants and they rated GPEC as the number one economic development organization in the country. GPEC received the award and then the unemployment rate rose from 9 percent to 9.4 percent. This meant GPEC had the biggest year in the history of the organization and ranked nationally number one. This region also ended up with 10 years of housing stock and 87 million square feet of empty space. Mr. Broome stated this really speaks to how incomplete the economic philosophy is in our region when we focus just on business attraction.

Mr. Broome noted he was also very excited that this region is an early adopter of solar and renewable energy. The region has been rated the number one market in the country for this. He noted sometimes when you do something new in innovation, you have to navigate through some complexities but was particularly compelled and excited to see the report focus on a carbon free, clean technology economy, which is born and bred for the desert. Mr. Broome stated that he wants to confirm that GPEC is prepared as an organization to completely change how we do business, to do a better job in building this economy, and is excited for this process.

Chair Schoaf thanked Mr. Broome for his comments and introduced Dr. Joseph Cavinato from Thunderbird School of Global Management.

Dr. Cavinato stated there are two things that excite him in regards to this initiative. First, there is a business plan associated with this. It does not just study the area, it actually has teeth. Secondly, it is very ingrained. He noted we are the ones that are going to be doing the work. We are the ones that are going to be on the ground when Brookings goes home. We are the ones left to implement the ideas. It is not just MAG, but the people throughout the entire county who are actually going to be doing this study, coming up with insights and the nuances as to what will work and what will not work. Dr. Cavinato stated that this is going to be time well spent.

Chair Schoaf thanked Dr. Cavinato for his comments and introduced Grady Gammage of Gammage & Burnham.

Mr. Gammage stated the United States is currently reexamining the role of government and the relationship between government and the private sector. He noted in a sense, renegotiating the social impact. Arizona seems to be in the forefront of that. He asked what is the role of these governments that are sitting here and trying to grow our economy? Is there one at all? He noted a lot of people in Arizona think there is not. They think that government has no positive role in enhancing the quality of life or the economy. Mr. Gammage stated we are in a time in the United States where we tend to fall into this trap because we have seen government fail at many things and we continue to see it fail on an almost weekly basis.

Mr. Gammage noted that this situation seems to afford us the opportunity to think about a government at a different scale and how it should operate in a regional context. He noted it is important because it seems there is a lot of what may virtually be obsolete kinds of government in the United States. Mr. Gammage noted the states do not seem to work very well anymore. He noted it is clear that, at many levels, the federal government does not work very well anymore. He asked if there is a role for regions and economies in the increasingly global competitive environment as something that should have a governance role. Mr. Gammage stated he hopes everyone will be open to doing that and not fall in the kind of jingoistic right wing, left wing debates that are polarizing the country and making it almost useless at this point.

Mr. Gammage noted that he wanted to send one cautionary note. He stated there is a real history in Arizona of public policy that careens from one thing to another. We decided biosciences were great and we created AZBio and then we took all its money away. We decided we needed to emphasize on education so we funded all day kindergarten and then two years later that was taken away. Because of the boom and bust nature of the economy, government tends to adopt public policies during booming times and in bust times repeal them. He noted that we need to recognize that risk as we move forward into this process and think about how to do something that is more consistent and more sustainable than what has been done in the past.

Chair Schoaf thanked Mr. Gammage for his comments and introduced Todd Hardy from Arizona State University, Skysong.

Mr. Hardy stated he was very excited to be a part of this, as is Arizona State University. He noted it is a strategically focused effort and is also action orientated and collaboratively based. Mr. Hardy stated these three things will set this apart, and set the work ahead apart, from a lot of the things that have gone on in the past and certainly something we need to do as a community. He noted that there will be some challenges. Mr. Hardy stated jurisdictional boundaries among our cities and organizations need to be ignored and set aside to accomplish something. Similarly, the academic side has to do the same. He noted we need to make sure that the kinds of innovation that needs to be brought to the table, to make advances here, is one that is a product of all of our universities, all of our academic institutions, in collaboration with private industry to get to the best possible result we can in whatever segment we decide to make the focal point of our plan in going forward.

Mr. Hardy stated that there will be some challenges. He noted export studies, show that of the major metropolitan areas in our country, Phoenix lags just behind New Orleans and Peoria in terms of exports. If we are going to look at ways in which we can grow our economy here by exporting, we have to take a long, hard look at what is necessary in order to do just that. He noted if it is clean technology and clean economies that should be the focus, we already have businesses that already do that. He noted we just need to find ways to bring everyone together to get the best possible result. Mr. Hardy stated the seeds of success are here and the time is right. He agreed when Mayor Smith stated that this is the time to come together to forge the best possible plan, to take leadership for this area and for

our state so that we can grow on for years to come. Mr. Hardy stated that he is very happy to be a part of this effort.

Chair Schoaf thanked Mr. Hardy and introduced Steve Kiefer, Maricopa Community Colleges.

Mr Kiefer stated that he is very happy to be invited to join this group and Maricopa Community Colleges feel they have a big role to play in workforce development, which is a key to economic development. He noted with the record we have in educational attainment in this region, we have to step up in our partnership with the K-12 system and the university system, both public and private, and really try to work on the human capital and talent development if we are to have any chance to succeed. Mr. Kiefer stated Maricopa Community Colleges are ready to do their part.

Chair Schoaf thanked Mr. Keifer for his comments and introduced Wellington Reiter, Special Advisor to Arizona State University President.

Mr. Reiter reiterated this is an absolutely unique moment and one that cannot be lost. The unit of measure in the future in the global economy will be cities. Mr. Reiter noted that he is very familiar with Brookings' work and Megapolitan Regions. He noted it was extraordinary to see cities come together at a major conference Brookings hosted in Chicago. He stated the cities who were participating in this kind of project are extremely satisfied with how it has led them to a new vision. Mr. Reiter stated he looks forward to participating and believes this is a great opportunity.

Chair Schoaf thanked Mr. Keifer and the Leadership Advisory Team for all their comments.

5. Update on the Draft Strategic Overview of the Brookings Metropolitan Business Planning Initiative

Chair Schoaf introduced Ms. St. Peter and complimented her for all she has accomplished with the information she was able to provide to Brookings. Ms. St. Peter thanked the Chair and the committee for the opportunity to offer a report on the draft Strategic Overview. She stated the strength in this project is measured by the support and partnerships. She noted that the work that is being done is responsive to what we are seeing in our communities, agencies and organizations. Ms. St. Peter noted that she will be contacting everyone via email and asked that they be involved with the additional opportunities that they will be receiving.

Ms. St. Peter thanked the Chairman for his compliment and wanted to acknowledge the many people who have been involved in the work that has been performed. In particular, she thanked GPEC for their involvement, which has been critical. She also sent out a special thank you to MAG's Information Services Division, which include Anubhav Bagley and Jami Garrison. They produced a significant amount of maps, charts and tables that really do lend a robust quality to the Strategic Overview. Ms. St. Peter noted that the first draft of the Strategic Overview was submitted on deadline to Brookings on September 19, 2011. She

noted that they are continuing to refine the draft in preparation for the final due date of October 31, 2011.

Ms. St. Peter noted that this is the first draft and that they are looking to add additional data, and in particular, wants to supplement the current data with more information and details of the current stakeholders and leaders in this area, as well as the strategies that are specific to the five leverage points that Ms. Liu spoke about in her presentation. This draft will be sent out for review, comments and additional data. She noted that they really need more data and information to make sure that this documentation is truly representative of this entire region because this will build the foundation for one or more initiatives.

Ms. St. Peter noted that they are continuing to update information received from various sources, such as GPEC, industry reports such as the Aerospace and Defense from the Arizona Commerce Authority and the Siedman Institute. She noted from the analysis, the region excels in governance, in part due to the consistent council manager form of government adopted by our cities and town and the relatively low number of municipalities under a single county for such a large geographic area also facilitates good collaboration and coordination among local governments and regional planning. She noted that the region's performance varied in supporting infrastructure that enables innovation. This leverage point measures how well our business environment supports new innovations and establishments through indicators such as the number of small and medium size entrepreneurs, high tech employment and small business administration loans.

Ms. St. Peter stated that the Brookings's data reflects a good degree of business "churn" as identified by the rate of business birth and deaths. We need to do more analysis on looking at what kinds of businesses we are creating. She noted we lost jobs and we need to find out if the jobs that we are creating are proportionate to the jobs that we lost and how do we create these jobs to support our communities and families. Data also suggests a lower percentage of high tech employment in our region compared to the other 100 largest metropolitan regions. This is measured by the share of high tech employment against the total employment in the region. Ms. Liu mentioned offering higher wages to attract higher human capital across the board. We will be able to facilitate that and discover these opportunities throughout the process. It is vital that we tell our region's story and to include our regional and local partners in this process.

Ms. St. Peter stated that the benefit of working with Brookings is the framework they bring to economic development. By applying a different lens, they can see the same information in a different way. Brookings and their national perspective can also help us to identify new opportunities and ways of working with each other. She noted that the Strategic Overview will be arriving in their email boxes soon and asked that anyone please contact her with any opportunities to partner. She noted the next work session is October 20-21, when we will be digging very deeply into the data and starting to identify our strengths, gaps and targeted opportunities to be able to work together in the future. Ms. St. Peter noted later in the year, we will be joining the other teams from across the country in Washington, DC, to compare stories, experience, work, and to learn from each other. Equally as important, is they want

to learn our stories, our information, and experience and ask that we share this with them. This partnership will ensure the work is responsive to the needs, priorities and opportunities that exist within this region.

Ms. St. Peter thanked the committee for their time and asked if there were any questions. Mayor Lewis asked if they should be representing the communities for the feedback and bring in targeted leaders given the time line before the next work session. Ms. St. Peter stated that this is the type of feedback she looking for at this point and as we move forward the network will become broader. Ms. St. Peter asked Ms. Liu and Dennis Smith for additional comments on this subject.

Mr. Smith noted that Ms. Liu wanted us to reach out to all the economic development agencies and gather all of their strategies to see what is similar and what is not. We then need to put this in a document for Brookings to look at to see what direction we are going. Mr. Smith stated that he does not believe that there is any such document out there. He noted that a request will be sent out to all the agencies so we can get on board together.

Chair Schoaf stated that we want to make this effort as broad as possible. We want input from as many different sources of information across our region so that when we are done, we have a plan that is really represented of our entire region. He noted that we require and need the assistance of everyone at this table if we are going to generate the kind of data and analysis that we need to do a really good job.

Vice Chair Hallman stated that his sense of the Strategic Overview is that this is the start of our asset inventory and opportunity inventory so when you go through the list of the organizations that have this kind of data, like Greater Phoenix Economic Council, East Valley Partnership and Western Maricopa Coalition, and our government agencies and municipalities economic groups, we can roll up this information into one single source to give us a better picture of our region.

Mayor Lane noted that Scottsdale has engaged in a process of enlisting all of their partners in the economic development side of things and have revitalized their economic vitality department to focus with a council subcommittee. It is more of an action plan, bringing together the elements that we can develop our sites selection criteria and enhance it. This sounds like a microcosm of exactly the same kind of program. Mayor Lane stated bringing this group and component can be a valuable contribution.

Chair Schoaf asked if there were any other comments or questions. There were none. Chair Schoaf thanked Ms. St. Peter for her presentation.

6. Request for Future Agenda Items

Chair Schoaf asked if there were any requests for future agenda items. There were none.

7. Comments from the Committee

Chair Schoaf stated that the Economic Development Committee will be organizing a full day trip to Nogales in partnership with the Arizona-Mexico Commission and the Greater Nogales Santa Cruz County Port Authority. He noted that the details are still being made, however, if you are interested in attending, please contact MAG to put your name on the list. He noted that a list of participants is due to U.S. Customs and Border Protection 30 days in advance and it is much easier to remove your name from the list, but difficult to add your name to the list.

Chair Schoaf noted that the next meeting is scheduled for November 1, 2011.

Adjournment

Vice Chair Hallman moved to adjourn the meeting. Mayor LeVault seconded the motion and the motion carried unanimously. There being no further business, the Economic Development Committee meeting was adjourned at 12:58 p.m.

Chair

Secretary